

Message Text

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ACTION NEA-07

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 6295

C O N F I D E N T I A L TEHRAN 3319

LIMDIS

E.O. 11652: GDS

TAGS: BDIS, IR, US

SUBJ: COMMISSION ON TWA 747 SALE

REFS: (A) STATE 81217, (B) STATE 81247

1. WE CALLED ON GENERAL TOUFANIAN APRIL 4 TO CONVEY SUBSTANCE
OF REFTELS ALONG FOLLOWING LINES:

A. TWA HAD LONGSTANDING CONTRACT WITH KWIATKOWSKI WHO
WAS WELL KNOWN AS AIRCRAFT BORKER. THIS WAS COMPANY'S WAY
OF HANDLING SALES OF SURPLUS AIRCRAFT. FIRM DID NOT ITSELF
NORMALLY PROCESS SUCH SALES.

B. FEE PAID TO KWIATKOWSKI WAS HIGHER THAN USUAL
BECAUSE TWA WAS IN POOR FINANCIAL CONDITION AND NEEDED
CASH.

C. TWA'S AUDITORS HAD CHECKED KWIATKOWSKI'S BOOKS
AND FOUND NO EVIDENCE OF IMPROPER PAYMENTS. NO PAYMENTS
WERE MADE TO THE MEMBERS OF THE ROYAL FAMILY OR GOI
OFFICIALS.

D. TWA FELT THAT GENERAL TOUFANIAN WAS AWARE THAT
KWIATKOWSKI WAS ITS AGENT AND THAT HE HAD BEEN PAID A
COMMISSION.

E. FIRM DID NOT FEEL THAT IT WAS GUILTY OF WRONGDOING
AND HOPED THAT MATTER COULD BE RESOLVED ITHOUT RECOURSE
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TO THE PRESS.

2. IN REPLY, TOUFANIAN EXPRESSED DISBELIEF THAT FIRM COULD HAVE PAID \$20 MILLION TO KWIATKOWSKI TO NEGOTIATE A SALE THAT HE HAD REQUESTED. HE APPEARED UNABLE TO BELIEVE THAT KWIATKOWSKI'S SERVICES WERE WORTH THAT AMOUNT. SECONDLY, TOUFANIAN STRONGLY DISPUTED TWA'S ACCOUNT OF THEIR PRESENTATION OF KWIATKOWSKI. HE RECALLED CABLES HE HAD SHOWN US AND SAID THAT WHEN HE RAISED ISSUE OF NO MIDDLEMEN, TWA SHOULD HAVE BEEN FORTHRIGHT IN DESCRIBING KWIATKOWSKI'S STATUS. DURING CONVERSATION HE TELEPHONED PRIME MINISTER TO REPORT. HE ASKED THAT WE INVITE RESPONSIBLE TWA OFFICIAL TO COME TO IRAN TO DISCUSS MATTER FURTHER.

3. SUBSEQUENTLY, AMBASSADOR TELEPHONED PRIME MINISTER. AFTER REVIEW OF FOREGOING POINTS, PRIME MINISTER SAID THAT GOI WAS TROUBLED BY KWIATKOWSKI'S ASSERTED FRIENDSHIP WITH PRINCESS ASHRAF AND THROUGH HER INFLUENCED THE SHAH. HE INDICATED THAT IF THAT ASSERTION AND ITS IMPLICATION OF IMPROPER INFLUENCE WOULD BE WITHDRAWN, THEN WAY MIGHT BE CLEARED FOR SOLUTION TO DISPUTE.

4. DEPARTMENT IS REQUESTED ON BEHALF OF AMBASSADOR TO CONTACT MR. CHARLES C. TILLINGHAST, JR., 605 3RD AVENUE, NEW YORK, TELEPHONE 212-557-3000, TWA BOARD CHAIRMAN, AND URGE THAT HE OR A RESPONSIBLE OFFICIAL VISIT IRAN THIS WEEK TO DISCUSS THIS MATTER FURTHER WITH GENERAL TOUFANIAN. TOUFANIAN LEAVES TEHRAN APRIL 10 FOR 10 DAYS. AS NOTED ABOVE, THERE ARE TWO ISSUES: (1) WHETHER OR NOT TWA AND MR. KWIATKOWSKI DID IN FACT MAKE LATTER'S STATUS CLEAR TO TOUFANIAN, AND (2) WHY IT WAS NECESSARY TO PAY MR. KWIATKOWSKI \$20 MILLION AS AGENT ON A SALE OF AIRCRAFT THAT GENERAL TOUFANIAN HAD ASKED TO PURCHASE. PLEASE ALSO DRAW TO MR. TILLINGHAST'S ATTENTION REMARKS MADE BY PRIME MINISTER.

5. WISH TO COMMEND THOSE DEPARTMENT OFFICERS WHO HAVE HANDLED THIS MATTER DURING WEEKEND. NOT ONLY DID THEY ACT QUICKLY, THEY PROVIDED US EXACTLY THE INFORMATION WE NEEDED. A FIRST CLASS PIECE OF WORK.

HELMS

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